

Message Text

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C O N F I D E N T I A L PANAMA 6601

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E.O. 11652: GDS

TAGS: PFOR, PN, PQ, US

SUBJECT: HIGHLIGHTS OF 430TH PRC MEETING, SEPTEMBER 22, 1976

1. RECENT POLITICAL EVENTS: AMBASSADOR LED OFF LENGTHY DISCUSSION AND ANALYSIS OF POLITICAL EVENTS OF PAST WEEK REVIEWING THE STUDENT DEMONSTRATIONS, THE GOP'S EFFORTS TO SHIFT BLAME ON USG, THE EXCHANGE OF NOTES AND CONVERSATIONS WITH FONMIN, THE EMBASSY'S ASSESSMENT OF THE CAUSES OF CRISIS AND POSSIBLE CONSEQUENCES FOR GOP AND FUTURE OF TREATY NEGOTIATIONS. PRC PRINCIPALS DISCUSSED POTENTIAL PROBLEMS IF SIGNIFICANT ADDITIONAL NUMBERS OF PANAMANIAN SEEK REFUGE IN ZONE AND REQUEST ASYLUM. THERE WAS CONSENSUS SUCH INDIVIDUALS WOULD BE OFFERED PROTECTION IF THEIR WELFARE WERE ENDANGERED WHILE FACTS ARE SORTED OUT AND THEIR ASYLUM REQUESTS ARE CONSIDERED. THERE WAS ALSO BELIEF THAT GOP PROBABLY WOULD PREFER TO HAVE ALLEGED CONSPIRATORS LEAVE COUNTRY. WITH RESPECT TO CASE OF HUMBERTO LOPEZ, GOVERNOR SAID HE NOW CONSIDERING PROCESSING HIM AS NON-QUOTA IMMIGRANT SPOUSE OF AMERICAN CITIZEN. PUBLIC AFFAIRS ASPECTS OF CRISIS WERE ALSO DISCUSSED AND THERE WAS SATISFACTION THAT DURING CRISIS EMBASSY, PANCANAL AND SOUTHCOM HAD COORDINATED THEIR OUTPUT TO MEDIA RAPIDLY AND SUCCESS-
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FULLY. WITH REGARD TO SCN RADIO ADVISORIES TO CANAL

ZONE RESIDENTS, AMBASSADOR AGREED THAT RESIDENTS SHOULD BE ADVISED PROMPTLY TO AVOID CONGESTED DOWNTOWN AREAS BUT THAT ANY REPORTING ON ACTUAL EVENTS MUST BE ABSOLUTELY ACCURATE. HE CITED HOW FONMIN SEIZED ON SLIGHT SCN ADVISORY INACCURACY TO ACCUSE SOUTHCOM RADIO OF INCITING PANIC IN CAPITAL. CINC STATED HIS PUBLIC AFFAIRS STAFF WAS EXPLORING POSSIBILITY OF HAVING PREVIOUSLY PREPARED AND CLEARED ANNOUNCEMENTS READY FOR DIFFERENT TYPES OF CONTINGENCIES. IT WAS LATER AGREED THAT PRC INFORMATION SUBCOMMITTEE SHOULD REVIEW VARIOUS TYPES OF STATEMENTS IN ORDER TO AGREE ON ACCEPTABLE LANGUAGE BUT THAT IT WAS PREFERABLE TO PREPARE ADVISORIES SPECIFICALLY DESIGNED TO COVER EACH SITUATION AS IT ARISES.

2. CONTRACT SERVICES LABOR DISPUTE: AMBASSADOR REPORTED EMBASSY BEING DRAWN INCREASINGLY INTO LABOR DISPUTE INVOLVING CZ BUS COMPANY, LOCAL 907 LABOR UNION WHICH AFFILITATED TO CTRP, GOP LABOR MINISTRY. WITHIN PAST TWO WEEKS EMBASSY HAD BEEN APPROACHED SEPARATELY BY BUS COMPANY OWNER, UNION PRESIDENT, AND GOP LABOR MEDIATOR FOR ADVICE ON HOW TO OVERCOME SEEMING LEGAL IMPASSE PREVENTING PAYMENT OF SOCIAL BENEFITS WHICH ARE COMMON IN U.S. AND PANAMA BUT NOT REQUIRED TO BE PAID UNDER CZ LEGISLATION. AMBASSADOR RECOUNTED SOME CASES OF INEQUITIES WHICH HAD OCCURRED UNDER BUS COMPANY CONTRACT WITH NAVY AND EXPRESSED HOPE SOME WAY COULD BE FOUND TO REACH COMPROMISE. GOVERNOR CITED PREVIOUS DIFFICULTIES WITH BUS COMPANY OWNER AND SAID PROBLEM WAS BROADER THAN THE ONE BUS COMPANY. HE SAID PANCANAL TEAM IS ALREADY EXAMINING POSSIBLE ADMINISTRATIVE AND LEGISLATIVE MEASURES NECESSARY TO RESOLVE DILEMMA. CINC SAID HE RESENTED BUS COMPANY OWNER BLAMING NAVY FOR HIS INABILITY TO PAY SOCIAL BENEFITS AND INDICATED THAT NAVY DEPARTMENT BEING ALERTED THROUGH NAVY CHANNELS THAT IT MAY HAVE TO RENEGOTIATE BUS CONTRACT. CINC AGREED TO KEEP EMBASSY INFORMED AND SAID THAT MEETING OF ALL INTERESTED PARTIES IN THE NEAR FUTURE MIGHT HELP DISSIPATE SOME OF THE PRESSURES BUILDING IN THIS MATTER AND AVOID POSSIBILITY OF INCIDENTS INVOLVING SCHOOL BUS CHILDREN.

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3. WATER RATES: GOVERNOR REFERRED TO RECENT FONOFF NOTE WHICH ACCEPTED NEW AND HIGHER RATES FOR PROCESSED WATER SOLD TO PANAMA BUT WHICH ALSO REQUESTED NEW RATES TAKE EFFECT OCT. 1, 1976. HE NOTED THAT IN PAST YEAR COMPANY HAS NOT ONLY INCURRED THE HIGHER COSTS BUT SUFFERED THE EFFECTS OF INFLATION. HE ESTIMATED THESE TOTAL BETWEEN \$800,000 TO \$1 MILLION. GOVERNOR

SUGGESTED REPLY THAT WOULD ACKNOWLEDGE GOP INTENTION TO PAY NEW RATES STARTING OCTOBER WHILE INDICATING ACCUMULATED DEBT COULD NOT BE WRITTEN OFF. GOVERNOR SAID PANCANAL BOARD WILL BE PLEASED AT GOP ACCEPTANCE OF HIGHER RATE.

4. JAILED AMERICAN SOLDIERS: CINC REPORTED THAT ARMY PRIVATE JAMISON, IMPLICATED BY GOP IN STUDENT RIOTS, HAD BEEN VISITED BY SOUTHCOM PROVOST MARSHALL. IT IS EXPECTED SOLDIER WILL BE RELEASED WITHIN WEEK. OF FOUR OTHER SOLDIERS ARRESTED SAME DAY AS JAMISON, TWO WERE RELEASED ON PAYMENT OF FINES AND TWO REMAIN IN CUSTODY ON DRUG RELATED CHARGES.

5. CINC MEETING WITH JCS: CINC ADVISED PRC HE GOING TO MEET WITH JCS DURING WEEK OF OCTOBER 4. SUBJECT OF MEETING WILL BE PANAMA AND FUTURE OF MILITARY GROUPS. AFTER SIMILAR MEETING IN EARLY AUGUST CINC HAD BEEN REQUESTED TO RETURN TO UPDATE HIS PRESENTATION. CINC SAID HE WILL CONTINUE TO PRESS FOR ASSIGNMENT OF TWO NAVY PATROL CRAFT FOR CZ HARBOR SURVEILLANCE. HE WILL ALSO ADVISE JCS THAT RECENT TROUBLES IN PANAMA ALERTED COMMAND TO FACT IT HAS INSUFFICIENT MILITARY POLICEMEN TO CARRY OUT ALL ASSIGNED TASKS DURING A DETERIORATING SITUATION. IN ORDER TO COVER ALL GATES, CONDUCT PATROLS, DEPLOY SPECIAL UNITS, ETCGS HE WOULD HAVE TO DRAW ON INFANTRY UNITS WHICH IN TURN WOULD REDUCE READINESS CAPABILITY.

6. DISASTER RELIEF: CINC REPORTED THAT AFTER RECENT UNCLASSIFIED CPX IN WHICH GN OFFICERS PARTICIPATED, LATTER INDICATED SOME INTEREST IN DISASTER RELIEF TRAINING AND ASSISTANCE. HE NOTED THAT AID WAS CENTER OF USG DISASTER

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RELIEF AND EXPRESSED DESIRE TO OBTAIN DISASTER PLANNING ASSISTANCE FOR GOP FROM AID. AMBASSADOR REPORTED THAT AID DIRECTOR TRAGEN WOULD BE TAKING UP THIS MATTER DURING HIS FORTHCOMING CONSULTATIONS IN THE DEPARTMENT.

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